

Hearing Date: January 17, 2008 at 10:00 a.m. (ET)

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UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK

In re:

Delphi Corporation, *et al.*,

Debtors.

Chapter 11

Case No. 05-44481 (RDD)

(Jointly Administered)

**OBJECTION OF AT&T AND ITS RELATED ENTITIES TO DEBTORS' MOTION  
FOR AN ORDER PURSUANT TO 11 U.S.C. §§ 105(a) AND 502(c) ESTIMATING OR  
PROVISIONALLY ALLOWING CERTAIN UNRECONCILED CLAIMS SOLELY  
FOR PURPOSES OF ADMINISTRATION OF DISCOUNT RIGHTS OFFERING**

AT&T Corp., AT&T Global Services f/k/a SBC Global, SBC Advanced Solutions, SBC Long Distance, SBC Yellow Pages, SBC Advanced Solutions, Inc., SBC Datacomm, Cingular Wireless n/k/a AT&T Mobility LLC, and Bellsouth Telecommunications, Inc. (collectively the "AT&T Entities"), by and through their undersigned counsel, hereby submit this objection (the "Objection") to the Debtors' Motion for Order Pursuant to 11 U.S.C. §§ 105(a) and 502(c) Estimating or Provisionally Allowing Certain Unreconciled Claims Solely for Purposes of Administration of Discount Rights Offering (the "Estimation Motion"). In support of the

Objection, the AT&T Entities respectfully represent as follows:

**BACKGROUND**

1. On October 8 and 14, 2005 (the "Petition Dates"), the Debtors<sup>1</sup> filed their voluntary petitions for relief under chapter 11 of title 11 of the United States Code (the "Bankruptcy Code").

2. Prior to the Petition Dates, the AT&T Entities provided certain telecommunications services and related services to the Debtors.

3. The AT&T Entities filed various proofs of claim against the Debtors' estates.

A. Proofs of Claim Filed by the AT&T Entities<sup>2</sup>

4. On or about November 16, 2005, SBC Yellow Pages filed proof of claim numbered 563 asserting a non-priority unsecured claim in the amount of \$103.31 ("Claim 563").

5. On or about November 28, 2005, SBC Advanced Solutions, Inc. filed proof of claim numbered 912 asserting a non-priority unsecured claim in the amount of \$3,841.74 ("Claim 912").

6. On or about December 13, 2005, SBC Advanced Solutions filed proof of claim numbered 1126 asserting a non-priority unsecured claim in the amount of \$3,236,025.11 ("Claim 1126"). Claim 1126 was recently amended to the amount of \$3,225,533.67.

7. On or about December 13, 2005, SBC Datacomm filed proof of claim

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<sup>1</sup> Capitalized terms not otherwise defined herein shall have the meaning ascribed to such term in the Estimation Motion.

<sup>2</sup> The AT&T Entities filed additional proofs of claim not referenced in this Objection.

numbered 1125 asserting a non-priority unsecured claim in the amount of \$7,661.10 ("Claim 1125"). Claim 1125 was recently amended to the amount of \$7,744.80.

8. On or about February 21, 2006, SBC Global filed proof of claim numbered 2103 asserting a non-priority unsecured claim in the amount of \$691,047.51 ("Claim 2103"). Claim 2103 was recently amended to the amount of \$574,354.91.

9. On or about May 8, 2006, Cingular Wireless filed proof of claim numbered 5084 in the amount of \$1,370.20 ("Claim 5084").

10. On or about May 8, 2006, Cingular Wireless filed proof of claim numbered 5085 in the amount of \$1,011.99 ("Claim 5085").

11. On or about May 8, 2006, Cingular Wireless filed proof of claim numbered 5087 in the amount of \$31,423.21 ("Claim 5087").

12. On or about June 7, 2006, AT&T Corp. filed proof of claim numbered 7506 asserting a non-priority unsecured claim in the amount of \$4,424,985.53 ("Claim 7506").

13. On or about January 17, 2006, Bellsouth Telecommunications, Inc. filed proof of claim numbered 1570 in the amount of \$1,621.57 ("Claim 1570").

14. On or about January 18, 2006, SBC Global filed proof of claim numbered 1578 asserting a non-priority unsecured claim in the amount of \$373,508.42 ("Claim 1578"). Claim 1578 was recently amended to the amount of \$373,099.88.

15. On or about January 18, 2006, SBC Long Distance, Inc. filed proof of claim numbered 1579 asserting a non-priority unsecured claim in the amount of \$1,000.00

("Claim 1579").

16. On or about January 18, 2006, SBC Global filed proof of claim numbered 1583 asserting a non-priority unsecured claim in the amount of \$21.91 ("Claim 1583").

17. On or about January 18, 2006, SBC Advanced Solutions filed proof of claim numbered 1584 asserting a non-priority unsecured claim in the amount of \$368.59 ("Claim 1584").

18. On or about January 18, 2006, SBC Global filed proof of claim numbered 1582 asserting a non-priority unsecured claim in the amount of \$110.32 ("Claim 1582"). Claim 1582 was recently amended to the amount of \$65.85.

19. On or about January 18, 2006, SBC Global filed proof of claim numbered 1585 asserting a non-priority unsecured claim in the amount of \$602.51 ("Claim 1585").

20. On or about February 21, 2006, SBC Long Distance filed proof of claim numbered 2102 asserting a non-priority unsecured claim in the amount of \$29.60 ("Claim 2102").

21. On or about April 3, 2006, SBC Global filed proof of claim numbered 2529 asserting a non-priority unsecured claim in the amount of \$195.10 ("Claim 2529").

22. On or about August 8, 2007, AT&T Global Services f/k/a SBC Global filed an amended proof of claim numbered 16636 [amending Claim 2103] asserting a non-priority unsecured claim in the amount of \$751,745.35 ("Claim 16636").

23. On or about August 8, 2007, AT&T Global Services f/k/a SBC Global

filed an amended proof of claim numbered 16637 [amending Claim 1578] asserting a non-priority unsecured claim in the amount of \$647,310.88 ("Claim 16637").

B. 21st Omnibus Claims Objection

24. On September 21, 2007, the Debtors filed their 21<sup>st</sup> omnibus objection to claims (the "21st Omnibus Claims Objection") pursuant to which the Debtors' objected to the majority of the above-referenced claims.<sup>3</sup>

25. On October 18, 2007, the AT&T Entities filed their response to the Debtors' 21<sup>st</sup> Omnibus Claims Objection.

26. On or about December 17, 2007, the AT&T Entities filed their supplemental response to the Debtors' 21st Omnibus Claims Objection

27. Additionally, in December, 2007, the AT&T Entities served discovery on the Debtors relative to the disputed issues set forth in the 21st Omnibus Claims Objection.

28. A hearing has been set in late February, 2008 to address the issues set forth in the 21st Omnibus Claims Objection as they relate to the proofs of claim filed by the AT&T Entities.

C. Debtors' Estimation Motion

29. On December 28, 2007, the Debtors filed the Estimation Motion seeking to, among other things, estimate certain of the AT&T Entities' proofs of claim for purposes of administering the discount rights offering.

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<sup>3</sup> A minority of the above-referenced proofs of claim were objected to by the Debtors pursuant to the Debtors' 19th and 20th omnibus claims objections (together, the "19th and 20th Omnibus Claims Objections").

30. Certain of the Debtors' proposed estimations in the Motion -- relative to the AT&T Entities -- are inconsistent with the amounts set forth in the AT&T Entities' proofs of claim, as such have been amended from time to time.

### **OBJECTION**

31. Pursuant to the Motion, the Debtors seek to deny significant rights of creditors whose claims have not yet been adjudicated by the Court. Specifically, the Motion is devoid of any mechanism which gives creditors the ability to share in the Discount Rights Offering if it is determined that such creditors' claims should be allowed in an amount greater than the Debtors' initial "estimation" or "provisional allowance" amount.

32. In order to protect the AT&T Entities' rights to a Discount Rights Offering, the Debtors should be required to estimate the AT&T Entities' claims in the amount(s) set forth in the respective proofs of claim (as amended) filed by the AT&T Entities.

33. Alternatively, the Debtors should be required to establish a reserve reflecting the entire amount of the AT&T Entities' proofs of claim, as amended. Absent an appropriate reserve, the AT&T Entities' substantive rights to receive a Discount Rights Offering equal to the full amount of the AT&T Entities' proofs of claim will be affected if it is later determined that the 21st Omnibus Claims Objection -- as well as the 19th and 20th Omnibus Claims Objections -- filed by the Debtors are denied.

34. At bottom, the AT&T Entities' ultimate distribution in the Debtors' cases should be substantially similar to the distributions obtained by other unsecured creditors whose

claims have been allowed by this Court.<sup>4</sup>

35. The AT&T Entities respectfully request that this Court waive the requirement contained in Local Rule 9013-1(b) that a separate memorandum of law be submitted because the issues raised in this Objection are not novel.

**WHEREFORE**, the AT&T Entities respectfully request that the Court (i) deny the Estimation Motion, and (ii) grant such other and further relief as is just and proper.

Dated: January 11, 2008

Respectfully submitted,

By: /s/ Eric H. Horn  
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<sup>4</sup> To the extent not inconsistent with this Objection, the AT&T Entities also join in the arguments raised in the objection to the Estimation Motion filed by Cooper-Standard Automotive Inc.